

**Junior Achievement of Mahoning Valley, Inc.**

Report on Audit of Financial Statements

June 30, 2022 and 2021

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June 30, 2022 and 2021

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees  
Junior Achievement of the Mahoning Valley

### Opinion

We have audited the accompanying financial statements of Junior Achievement of Mahoning Valley, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Junior Achievement of Mahoning Valley, Inc. as of June 30, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Junior Achievement of Mahoning Valley, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Junior Achievement of Mahoning Valley, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### Auditor's Responsibilities for the Audit of the Financial Statements

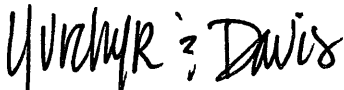
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Junior Achievement of Mahoning Valley, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Junior Achievement of Mahoning Valley, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Yurchyk & Davis CPAs Inc.

Handwritten signature in black ink, appearing to read "Yurchyk & Davis".

Canfield, OH  
November 14, 2022

**Junior Achievement of Mahoning Valley, Inc.**

Statements of Financial Position

June 30, 2022 and 2021

**ASSETS**

	<u>2022</u>	<u>2021</u>
<u>Current Assets</u>		
Cash and Cash Equivalents	\$ 90,401	\$ 133,156
Pledges Receivable - net of allowance for doubtful pledges of \$-0- in 2022 and 2021	24,949	14,966
Other Receivables	1,974	-
Prepaid Expenses	916	1,869
Total Current Assets	118,240	149,991
<u>Long-Term Assets</u>		
Investments - Endowment Fund	181,994	205,850
Custodial Children's Savings Accounts	59,892	59,892
Deposits	760	760
Furniture and Equipment, net of accumulated depreciation	1,136	-
Total Long-Term Assets	243,783	266,502
<b>TOTAL ASSETS</b>	<b>\$ 362,023</b>	<b>\$ 416,493</b>

**LIABILITIES AND NET ASSETS**

<u>Current Liabilities</u>		
Accounts Payable	\$ 463	\$ 800
Accrued and Withheld Payroll Liabilities	6,722	11,662
Refundable Advance	-	87,400
Total Current Liabilities	7,185	99,862
<u>Long-Term Liabilities</u>		
Custodial Children's Savings Liability	59,892	59,892
Total Liabilities	67,077	159,754
<u>Net Assets</u>		
Without Donor Restriction		
Without Donor Restriction	112,952	50,889
Board Designated Net Assets	176,994	200,850
Total Net Assets Without Donor Restriction	289,946	251,739
With Donor Restriction	5,000	5,000
Total Net Assets	294,946	256,739
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 362,023</b>	<b>\$ 416,493</b>

The Accompanying Notes are an Integral Part of These Statements

Junior Achievement of Mahoning Valley, Inc.

Statements of Activities

For the Years Ended June 30, 2022 and 2021

Revenue, Gains, and Other Support	2022		2021		Total
	Without Donor Restriction	With Donor Restriction	Without Donor Restriction	With Donor Restriction	
<u>Contributions</u>					
Fund Drive	\$ 42,077	\$ -	\$ 52,507	\$ -	\$ 52,507
Grants/Foundations	274,206	-	214,934	-	214,934
Program Contributions	500	-	13,704	-	13,704
Total Contributions	316,783	-	281,145	-	281,145
Special Events, Net of Expenses	65,038	-	16,997	-	16,997
Interest, Dividends and Realized Gains	5,220	-	9,256	-	9,256
Unrealized Gains (Losses) on Investments	(26,720)	-	28,593	-	28,593
In-Kind Contributions	-	-	5,879	-	5,879
Net Assets Released from Restrictions	-	-	-	-	-
Total Revenues	360,321	-	341,870	-	341,870
Less: Franchise Fee	(31,454)	-	(31,227)	-	(31,227)
Net Support & Revenue	328,867	-	310,643	-	310,643
<u>Expenses</u>					
Program Services	246,607	-	227,109	-	227,109
Management and General	26,247	-	24,360	-	24,360
Fundraising	17,806	-	16,332	-	16,332
Total Expenses	290,660	-	267,801	-	267,801
Change in Net Assets	38,207	-	42,842	-	42,842
Net Assets Beginning of Year	251,739	5,000	208,897	5,000	213,897
Net Assets End of Year	\$ 289,946	\$ 5,000	\$ 251,739	\$ 5,000	\$ 256,739

The Accompanying Notes are an Integral Part of These Statements

**Junior Achievement of Mahoning Valley, Inc.**

Statement of Functional Expenses

For the Year Ended June 30, 2022

	Program Service	Supporting Services		Total
		Management and General	Fund Raising	
Salaries	\$ 150,182	\$ 6,565	\$ 7,386	\$ 164,133
Payroll Taxes and Benefits	25,584	1,125	1,406	28,115
Program Materials	28,930	-	-	28,930
Rent	13,659	2,537	3,317	19,513
Repairs, Maintenance, Utilities, and Insurance	7,614	1,414	1,849	10,877
Depreciation	234	42	49	325
Training and Recognition	5,685	-	-	5,685
Supplies and Postage	3,648	677	886	5,209
Outside Services	1,088	11,968	544	13,600
Dues and Subscriptions	833	155	203	1,192
Technology	4,860	902	1,180	6,942
Travel and Transportation	255	112	7	374
Donated Services and Materials	-	-	-	-
Miscellaneous Expenses	4,036	750	980	5,766
<b>Total Expenses</b>	<b>\$ 246,607</b>	<b>\$ 26,247</b>	<b>\$ 17,806</b>	<b>\$ 290,660</b>

The Accompanying Notes are an Integral Part of These Statements

**Junior Achievement of Mahoning Valley, Inc.**

Statement of Functional Expenses

For the Year Ended June 30, 2021

	Program Service	Supporting Services		Total
		Management and General	Fund Raising	
Salaries	\$ 128,100	\$ 5,600	\$ 6,300	\$ 140,000
Payroll Taxes and Benefits	29,957	1,317	1,646	32,920
Program Materials	27,891	-	-	27,891
Rent	12,516	2,324	3,040	17,880
Repairs, Maintenance, Utilities, and Insurance	6,661	1,237	1,618	9,516
Depreciation	-	-	-	-
Training and Recognition	3,075	-	-	3,075
Supplies and Postage	1,752	325	425	2,502
Outside Services	896	9,860	448	11,204
Dues and Subscriptions	612	114	149	875
Technology	7,115	1,321	1,728	10,164
Travel and Transportation	108	47	3	158
Donated Services and Materials	4,409	1,470	-	5,879
Miscellaneous Expenses	4,015	746	975	5,736
	<u>\$ 227,109</u>	<u>\$ 24,360</u>	<u>\$ 16,332</u>	<u>\$ 267,801</u>
Total Expenses	\$ <u>227,109</u>	\$ <u>24,360</u>	\$ <u>16,332</u>	\$ <u>267,801</u>

The Accompanying Notes are an Integral Part of These Statements



**Junior Achievement of Mahoning Valley, Inc.**

Statements of Cash Flows

For the Years Ended June 30, 2022 and 2021

	2022	2021
<b><u>Cash Flows from Operating Activities</u></b>		
Change in Net Assets	\$ 38,207	\$ 42,842
Adjustments to Reconcile Change in Net Assets to Net Cash		
Provided By (Used In) Operating Activities		
Depreciation	325	-
Changes in Current Assets and Liabilities		
(Increase) Decrease in Assets:		
Pledges Receivables	(9,984)	(6,574)
Other Receivables	(1,974)	-
Prepaid Expenses	953	638
Increase (Decrease) in Liabilities:		
Accounts Payable	(337)	184
Accrued and Withheld Payroll Liabilities	(4,940)	1,459
Refundable Advance	(87,400)	43,700
Net Cash Provided By Operating Activities	(65,150)	82,249
Provided by (Used in) Investing Activities		
Endowment Fund Activity	23,857	(33,897)
Purchase of Fixed Assets	(1,462)	-
Net Cash Used in Financing Activities	22,395	(33,897)
Net Increase (Decrease) In Cash and Cash Equivalents	(42,755)	48,352
Cash and Cash Equivalents, Beginning of Year	133,156	84,804
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 90,401</b>	<b>\$ 133,156</b>

The Accompanying Notes are an Integral Part of These Statements

# Junior Achievement of Mahoning Valley, Inc.

## Notes to Financial Statements

June 30, 2022 and 2021

### NOTE A – DESCRIPTION OF ENTITY

Junior Achievement of Mahoning Valley, Inc. (the "Organization") is a private nonprofit organization incorporated in the state of Ohio. The Organization serves the Ohio counties of Mahoning, Trumbull, Ashtabula and Columbiana by providing opportunities to young people, in cooperation with adult advisors/consultants to inspire and prepare young people to succeed in a global economy. The Organization is an affiliate of Junior Achievement USA, Inc., (the National Organization) located in Colorado Springs, Colorado.

Junior Achievement offers a variety of programs in school and after school for children in kindergarten through twelfth grade that focus on helping young people better understand concepts related to financial literacy, economics, entrepreneurship, and workforce readiness. Junior Achievement programs build successful partnerships between local classroom teachers and community volunteers.

### NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Basis of Accounting** – The Organization is required to report information regarding its financial position and activities according to two classes of net assets (net assets without donor restriction, and net assets with donor restriction) based upon the existence and/or nature of any donor-imposed restrictions.

**Contributions** – Contributions received are recorded as support with donor restriction, or without donor restriction, depending on the existence and/or nature of any donor restrictions. It is the policy of the Organization to recognize donor restricted funds whose restricted purpose is met during the same year as received, as net assets without donor restrictions on the financial statements.

**Cash and Cash Equivalents** – For purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

**Promises to Give** – Promises to Give includes pledges under an annual fund drive. All amounts are due in less than one year. The Organization uses the allowance method to determine uncollectible unconditional promises to give. The allowance is based on prior years' experience and management's analysis of specific promises made. Promises to give are recorded net of an allowance for doubtful accounts, which was \$0 in 2022 and 2021, respectively.

**Other Receivables** – Other receivables consist of Employee Retention Credits (ERC) receivable for the first quarter of 2021, in the amount of \$1,974.

**Children's Custodial Savings Accounts** – In 2011, the Organization initiated a new "I Can Save" program under which it, through the ongoing financial support of several contributors, will deposit funds into children's savings accounts each year from kindergarten through high school. The program also includes participating in ongoing Junior Achievement programs. In 2019, the contributor ceased providing new funds. The Organization is still the custodian of the funds until the individuals graduate from high school. Upon graduation, these funds may be used by the individual to pay for college or technical school, to start a business, or to purchase a home.

**Furniture and Equipment** – Furniture and equipment are reported at cost. Donated equipment is reported at fair market value at the date of the donation. Maintenance and repairs and capital expenditures under \$500 are charged to operations when incurred. Depreciation is computed on the straight-line method over estimated useful lives, which range from 3 – 7 years.

## Junior Achievement of Mahoning Valley, Inc.

### Notes to Financial Statements

June 30, 2022 and 2021

#### NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

**Furniture and Equipment (continued)** – The following is a table showing the detail of the property and depreciation for 2022 and 2021.

	2022	2021
Furniture and Equipment	21,841	20,380
Accumulated Depreciation	(20,705)	(20,380)
Net Furniture and Equipment	1,136	-

**Marketable Investments** – Investments with readily determinable fair values are reported at their fair value in the Statements of Financial Position. Unrealized gains and losses are included in the change in unrestricted net assets.

**Donated Services and Materials** – During the years ended June 30, 2022 and 2021, the value of contributed services and materials meeting the requirements for recognition in the financial statements amounted to \$0 and \$5,879 respectively. These amounts are included in both support and expenses in the Statements of Activities and in Special Events, Net of Expenses, and offset each other accordingly.

A substantial number of unpaid volunteers have made significant contributions of their time to develop Junior Achievement's programs, primarily in educational programs and development. The value of this contributed time is not reflected in these financial statements since it does not lend itself to objective measurement, nor would it typically be purchased.

**Estimates** – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

**Subsequent Events** – In preparing their financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through November 14, 2022, the date the financial statements were available to be issued.

#### NOTE C – AFFILIATED ORGANIZATION FRANCHISE FEES

The Organization, as part of its affiliation agreement, is required to remit a participation fee to the National Organization, calculated on the previous fiscal year reported revenue, paid in twelve equal payments. Interest and dividend income as well as in-kind contributions income are not subject to the participation fee. The fee amounted to \$31,454 and \$31,277 for the years ended June 30, 2022 and 2021 respectively.

#### NOTE D – INCOME TAXES

The Organization is an exempt organization under Internal Revenue Code 501 (c) (3) and therefore no provision has been made for income taxes and no expense has been recognized.

The Organization is subject to routine audits by taxing jurisdictions; however there are currently no audits for any tax periods in progress. The Organization believes it is no longer subject to income tax examinations for years prior to 2018.

## Junior Achievement of Mahoning Valley, Inc.

### Notes to Financial Statements

June 30, 2022 and 2021

#### NOTE E – FAIR VALUE MEASUREMENTS

The Organization's investments are reported at fair value in the accompanying statements of financial position.

<b>Assets at Fair Value as of June 30, 2022</b>		
	Level 2	Total
Endowment Fund	\$ 181,994	\$ 181,994
	<u>\$ 181,994</u>	<u>\$ 181,994</u>

<b>Assets at Fair Value as of June 30, 2021</b>		
	Level 2	Total
Endowment Fund	\$ 205,850	\$ 205,850
	<u>\$ 205,850</u>	<u>\$ 205,850</u>

U.S. GAAP accounting standards codification 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs have the lowest priority.

The Organization uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value.

**Level 2 Fair Value Measurements** – The fair value of the Organization's interest in the endowment fund is based on the beginning of year value of the Organization's interest in the investment plus actual contributions and allocated investment income less actual distributions and allocated administrative expenses. Quoted market prices are used to value investments in the endowment fund.

#### NOTE F – BOARD DESIGNATED NET ASSETS WITHOUT DONOR RESTRICTIONS

Board designated net assets of \$176,994 and \$200,850 at June 30, 2022 and 2021 consist of monies set aside by the board for operating or other costs as needed.

#### NOTE G – NET ASSETS WITH DONOR RESTRICTION

Net Assets with donor restrictions of \$5,000 at both June 30, 2022 and 2021 consist of monies received for the Endowment Fund. The principal from these funds cannot be spent by donor restriction.

#### NOTE H – PENSIONS

The Organization has a defined contribution pension plan covering all employees. Section 403(b) of the Internal Revenue Code contains certain restrictions pertaining to the plan. An insurance company invests the plan assets. The Organization does not contribute to the defined contribution plan. The Organization also participated in a defined benefit pension plan through its national Organization, as detailed in Note O.

**Junior Achievement of Mahoning Valley, Inc.**

Notes to Financial Statements

June 30, 2022 and 2021

**NOTE I – ENDOWMENT FUNDS**

Board designated net assets without donor restrictions, and net assets with donor restrictions at June 30, 2022 and 2021 consist of endowment funds established to support the Organization and its services. The donor restricted net assets of \$5,000 are subject to donor restriction that the principal can never be used, but income from the principal is unrestricted. The balance of the endowment funds is designated for operating reserves when appropriated by the Board of Trustees. The designated endowment funds are invested in cash equivalents and other funds pursuant to the Organization's investment and spending objectives program services with current income. The Organization generally expends the endowment fund's investment income for the board designated purpose when determined necessary.

During the years ended June 30, 2022 and subjecting the funds to low investment risk and providing the 2021, the board approved expending no monies from the endowment fund. The composition of endowment net assets for these funds and the changes in endowment net assets as of June 30, 2022 and 2021 are as follows:

	Without Donor Restriction	With Donor Restriction	Total
Endowment net assets, July 1, 2020	\$ 166,953	\$ 5,000	\$ 171,953
Investment Income	9,256	-	9,256
Net Appreciation (Depreciation)	28,593	-	28,593
Investment Expenses	<u>(3,952)</u>	<u>-</u>	<u>(3,952)</u>
Endowment net assets, June 30, 2021	200,850	5,000	205,850
Investment Income	5,220	-	5,220
Net Appreciation (Depreciation)	(26,721)	-	(26,721)
Investment Expenses	<u>(2,355)</u>	<u>-</u>	<u>(2,355)</u>
Endowment net assets, June 30, 2022	<u>\$ 176,994</u>	<u>\$ 5,000</u>	<u>\$ 181,994</u>

**NOTE J – LEASES**

The Organization leases office equipment under operating leases expiring in fiscal year 2025. In the normal course of business, operating leases are generally renewed or replaced by other leases. The Organization also leases office space at \$806 per month through December 2022. Rent expense for the fiscal years ended June 30, 2022 and 2021 amounted to \$19,513 and \$17,880 respectively.

The following is a schedule by years of future rental payments under non-cancellable operating leases:

<u>June 30</u>	
2022	\$ 5,590
2023	5,590
2024	5,590
2025	-
2026	-
	<u>\$ 16,770</u>

# Junior Achievement of Mahoning Valley, Inc.

## Notes to Financial Statements

June 30, 2022 and 2021

### NOTE K – REFUNDABLE ADVANCE

The refundable advance liability consists of Paycheck Protection Program (PPP) funds provided under the CARES Act to assist small businesses during the ongoing global pandemic. These funds of \$87,400 were forgiven during the June 30, 2022 fiscal year, and were recognized as income during that year.

### NOTE L – CONCENTRATIONS

The Organization received grants from one foundation amounting to 18% and 18% of total revenues for 2022 and 2021.

### NOTE M – FUNCTIONAL ALLOCATION OF EXPENSES

The costs included in the statement of functional expenses are identified as program service, management and general and fundraising costs. Program service expenses are directly related to the services being performed. Management and general and fundraising costs support the Organization, but are not directly related to the program. Certain expenses are attributable to one or more program or supporting services, and are allocated based on a time and cost study of where efforts are made.

### NOTE N – SPECIAL EVENTS INCOME

Special events income is reported in the statement of activities net of direct special events expenses. Actual income and expenses are as follows:

	2022	2021
	<u>                    </u>	<u>                    </u>
Designer Bag Bingo		
Revenue	50,342	900
Expenses	(23,731)	(80)
Net Designer Bag Bingo Revenue	<u>26,611</u>	<u>820</u>
 Golf Classic		
Revenue	58,780	9,750
Expenses	(24,670)	(2,012)
Net Golf Classic Revenue	<u>34,110</u>	<u>7,738</u>
 Miscellaneous Events		
Revenue	7,270	12,190
Expenses	(2,953)	(4,051)
Net Miscellaneous Events Revenue	<u>4,317</u>	<u>8,139</u>
 Net Special Events Revenue	<u>\$ 65,038</u>	<u>\$ 16,697</u>

## Junior Achievement of Mahoning Valley, Inc.

### Notes to Financial Statements

June 30, 2022 and 2021

#### **NOTE N – SPECIAL EVENTS INCOME (continued)**

In-kind contributions and expenses excluded from the Golf Outing, Designer Bag Bingo and miscellaneous events amounts above for 2022 were \$6,636, \$7,949, and \$0 respectively. In-kind contributions and expenses excluded from the Bowl-A-Thon, Designer Bag Bingo and miscellaneous events amounts above for 2021 were \$0, \$1,355, and \$0 respectively.

#### **NOTE O – MULTIEMPLOYER PENSION PLAN (Terminated effective June 30, 2019)**

Prior to June 30, 2019, the Organization offered a noncontributory defined benefit pension plan (the Plan) to its employees. The Plan is administered the Organization and covered all full-time employees of the Organization, JA Worldwide, Inc. and participating Junior Achievement chapters in the United States. The Plan is accounted for like a multi-employer plan. Benefits were determined based on years of service and salary history. The Plan's assets are invested in various investment funds. Prior to June 30, 2019 the respective participants' employers were required to fund the Plan, as determined necessary by The Organization's Board of Directors, based on an annual actuarial valuation. Prior to June 30, 2019, the Organization made contributions equal to 16.75% of participants' eligible compensation. Accordingly, the Organization recognizes, as net pension cost, the required contribution for the period and recognizes, as a liability, any contributions due and unpaid. There is no recognition of the funded status of the Plan in the financial statements of the Organization.

During 2019, the Board of Directors of the Organization approved the termination of the Defined Benefit Plan, at which time all participants who were active in the plan became fully vested for their respective accrued benefits. The Plan shall liquidate and distribute each participant's accrued benefits as soon as administratively practicable. The Plan requires that participating employers (including the Organization) remain liable for any funding obligations under the Plan, until all liabilities and obligations of the Plan have been satisfied, and are thereby required to make contributions equal to 13.25% of participants' eligible compensation.

During 2020, Plan participants elected the mode of their distribution (whether lump sum or annuity) and the Plan liquidated and distributed benefit payments accordingly. The Plan engaged an insurance company to assume the annuity portfolio, and as of June 30, 2021, substantially all benefit obligations of the Plan had either been paid (lump sum elections) or transferred (annuity elections.) The remaining assets in the Plan of approximately \$5.5 million at June 30, 2022 and 2021, are restricted for additional, future termination and other required administrative expenses. Approximately \$4 million of the Plan's assets are expected to be a return of capital to JA USA for the collateral that JA USA transferred to fund and close the revolving line of credit necessary to terminate the plan.

Upon the conclusion of any necessary administrative proceedings and the final review by the Pension Benefit Guarantee Corporation (PBGC) any remaining Plan assets will be first used to pay any final administrative costs, next will be used to repay advances from JA USA, described above, and lastly will be distributed to participating employers on a pro-rata basis. The timing and results of these administrative proceedings and PBGC's final review are uncertain, and as a result, the Organization cannot reasonably estimate, and thus has not recorded, any pro-rata amounts receivable from the Plan at June 30, 2022.

## Junior Achievement of Mahoning Valley, Inc.

### Notes to Financial Statements

June 30, 2022 and 2021

#### **NOTE P – HEALTH AND WELFARE BENEFITS TRUST AND POSTRETIREMENT BENEFITS PLAN**

The Organization has a self-funded medical, dental and other benefits plan covering full-time employees of the Organization and their beneficiaries and covered dependents. The plan is accounted for like a multiemployer plan. Premiums are paid into the Health and Welfare Plan for each participant by the participating employers. Employees of the Organization, JA Worldwide Inc. and employees of Junior Achievement USA chapters can participate in the Health and Welfare Plan. All the assets and liabilities of the Health and Welfare Plan are held in the Junior Achievement USA Health and Welfare Benefits Trust (Benefits Trust). Accordingly, no balances or transactions of the Benefits Trust are recorded in the financial statements of the Organization.

The Health and Welfare Plan also offers health care benefits to retired personnel of the participating employees. This creates an implicit rate subsidy, which is considered to be a postretirement benefit. Management of the Organization does not believe the implicit rate subsidy amount to be material to the Organization, especially since the Plan is a multiemployer plan. Accordingly, no balances or transactions of the Postretirement Benefits Plan are recorded in the financial statements of the Organization.

The Organization's premium expense for the Health and Welfare Plan for the years ended June 30, 2022 and 2021 was \$10,608 and \$20,475 respectively.

#### **NOTE Q – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

As part of the Organization's liquidity management, it has a policy to structure financial assets to be available as general expenditures, liabilities, and other obligations come due.

The Organization has \$117,325 of financial assets available within one year of the financial statement date, of which \$90,401 is cash, and \$26,924 are receivables which will be collected within the year. Additionally, the Organization has Endowment Funds of \$181,994, of which \$176,994 could be used if needed.

#### **NOTE R – COVID-19 PANDEMIC**

As a result of the spread of the SARS-CoV-2 virus, and the incidence of COVID-19, economic uncertainties have arisen which may negatively affect the financial position, results of operations and cash flows of Junior Achievement of Mahoning Valley. While programming has been impacted due to the inability of volunteers to provide in person experiential learning opportunities, virtual volunteering has been added to support school curricular needs. At June 30, 2021 fundraising efforts had also been forced to pivot from in person gatherings to virtual events with a significant, negative impact on participation and sponsorship opportunities. At June 30, 2022, the ability to hold in person fundraising events had increased significantly, and several fundraising events were held. While the impact of the pandemic has decreased, the continuing duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time.